

**ADDITIONAL VIEWS OF COMMISSIONERS
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We are writing to raise a caution flag about the integrity of the United States defense supply chain and the degree to which it may be dependent on components from China. After three years of hearing about problems related to the potential dependence of the U.S. military supply chain on components or supplies from the People's Republic of China, we think that the House and Senate Armed Services Committees should conduct classified hearings to determine the extent to which the U.S. armed forces may depend on China to be able to function.

We believe this is important because in the past two years, the U.S.-China Economic and Security Review Commission contracted for research to determine the level of dependence of the U.S. defense supply chain on China. In each case, the contractors had difficulty getting the data from U.S. Department of Defense (DoD) agencies on what components of several new weapon systems came from China. One study is still ongoing. The military departments and services, however, often are not able to respond in full, citing the need to classify their reports.

In 2004, at a hearing in Akron, Ohio, the sole American manufacturer of sonobuoys (submarine detection devices) for the United States Navy testified that unfair trading practices are allowing Chinese manufacturers of printed circuit boards used in sonobuoys to sell their product in the U.S. at a sharply discounted price. The American sonobuoy manufacturer testified that his company would lose business to Chinese competitors, and as a result, Chinese circuit boards would be installed in the sonobuoys used to detect Chinese submarines. This struck Commissioners as ironic, since the U.S. Navy had a particularly difficult time locating Chinese submarines in the Western Pacific. That situation has been addressed, and alternate suppliers are now available.

However, in hearings in 2005, the Commissioners were told that the Department of Defense "trusted" and "assured" supply of high-performance microchips is in jeopardy because of the restructuring of the U.S. commercial integrated circuit industry, some of which has moved operations to China.

In Dearborn, Michigan, in 2006, witnesses from the U.S. Army told Commissioners that the Army's capacity at the Tank and Automotive Command to surge in the event of a wider war was limited. Further, according to one witness, the Army is dependent for some materials and parts on suppliers in China.

In 2007, one witness told the Commissioners that in the near future, DoD is very likely to have to depend on supplies from China for the propellant used in some missiles, such as the Hellfire AGM-114 anti-armor missile that can be launched from helicopters. Again, we find this ironic, since in 2005, Taiwan agreed to buy 600 Hellfire missiles from the United States to defend itself in the event that the People's Republic of China carries out its threat to attack Taiwan if the Communist leadership in Beijing thinks Taiwan's democracy is moving too far toward "independence."

The Commission will continue to pursue information about the level of dependence of the U.S. defense supply chain on China in its contracted research and will report the results to Congress.

We believe, however, that the relevant committees of Congress will get more accurate and timely information if they exercise their oversight authority and conduct classified hearings on the topic.

ADDITIONAL VIEWS OF COMMISSIONER WILLIAM A. REINSCH

I have supported this year's Report because it demonstrates the Commission's continued lurch toward objectivity and thus credibility. In contrast to previous years, this Report avoids many of the odder flights of rhetoric that have amused readers in the past. This year we are more boring, but the result is a more balanced and more thoughtful Report.

As in previous years, the Commission has continued its impressive record of thorough, balanced, hearings with expert witnesses from the government and private sector. That body of work provides an in-depth set of studies on topics important to the bilateral relationship, and the hearing records contain significant amounts of data and other information of use to scholars and policy makers. Some of that is highlighted in this Report, but researchers would be advised to consult the full hearing records.

Looking at the specific chapters, this year the Commission has again attempted to examine the strength of the defense industrial base and again has run into difficulty obtaining useful data, at least as of the writing of this report. While there appears to be concern about the defense industrial base at high levels in the Defense Department, the Pentagon clearly does not have adequate procedures in place to track the sources of components and subcomponents of its systems and thus cannot come to any useful conclusions about the viability of the defense industrial base. The Commission has made a constructive recommendation on this point but has probably gone too far in suggesting record keeping to the "bottom tier," which would impose an entirely unrealistic burden on defense contractors attempting to survive in the global marketplace. There is also more than a hint that the proper policy goal is autarky, which is not only impossible, but unwise if our defense establishment is to take advantage of the latest technology and innovation globally.

One area where the Commission's recommendations are particularly thoughtful is with respect to energy and environment, where it has opted for a cooperative approach rather than the pressure tactics proposed in other chapters. Hopefully, this bit of wisdom will spread to other issue areas in future Reports.

Unfortunately, the Commission continues to reflect confusion on the issue of exchange rates. The Congress is likewise confused, but instead of providing thoughtful analysis to Members, the Commission has merely thrown existing Congressional proposals back at them without adequate analysis as to whether or not they will work. Attractive though penalties always seem to the Commission, antidumping and countervailing duties are microeconomic remedies ill-suited to a macroeconomic problem. Including the amount of currency subsidy in their calculation may provide some measure of relief for a few companies or an entire sector, but achieving an economy-wide impact would require filing thousands of cases—a development that would primarily benefit trade lawyers.

Further, some of the proposals—changing the requirements for Treasury's semi-annual currency report and the antidumping standing rules—are little more than cranky efforts to change the

rules of the game because we're not winning often enough. Even the recommendation for a multilateral approach—a WTO complaint—is the right idea, but misplaced. It is the IMF that has failed in its responsibility to deal with exchange rate misalignments, deliberate or not, and it is there that U.S. efforts should be directed.

There are also other problematic recommendations, particularly those that would require expanded corporate reporting of activities in China and would use that proprietary data for policy purposes. They betray a far too simplistic view of the ease of identifying and quantifying subsidies and research and development costs and would, I believe, impose a significant burden on companies without an offsetting benefit.

Likewise, on the vexing issue of information technology (IT) companies attempting to operate in China, the Commission has once again taken the easy way out by essentially endorsing Congressional efforts to mandate limits on their cooperation with Chinese authorities. The recommendation is not as bad as it could be, but it still leaves unexamined the question of whether the Chinese people's access to information and U.S. national security are better served by a growing U.S. IT presence there, however limited; or whether they and we are better off with greater Chinese reliance on indigenous hardware and software. Here, as elsewhere, the morally and politically correct position, which the Commission has always been quick to take, may not be the one most in our or the Chinese people's interests.

This emphasis on moral and political correctness also can be seen in the Commission's increasing focus on human rights and religious freedom. These are important concerns, and I applaud individual Commissioners' interest in them, but I hope that as the Commission's work evolves, it does not lose its focus on its fundamental mandate of national security, a mandate that distinguishes us from the Congressional-Executive Commission on China.

Last year I warned that China becoming a responsible stakeholder does not simply mean that they have to agree with us on all important issues, and I faulted last year's Report for falling into that trap. This year's Report is better on that point and reflects some recognition that we do best with China when we can explain to its leaders why a particular action is good for them rather than why it is good for us. The Report's recommendations, however, continue to reflect a lack of patience and perspective. The problems the Report identifies are real and serious, and some of them have gotten worse in the past year rather than better, but progress on them will inevitably be as Lenin suggested—a matter of two steps forward and one step backward, and sometimes the reverse. The Commission could perform a real service to Congress by making that point from time to time. Counseling patience does not mean surrendering the goal of a better and more balanced bilateral relationship; it means we have a more sophisticated understanding of how to reach it.

ADDITIONAL VIEWS OF COMMISSIONER PETER VIDENIEKS

I consider this to be an interim Report—a periodic progress Report. The final Report, the Commission’s only statute-required deliverable item, is due seven months from now—“by June 1” of 2008. I find this interim Report acceptable as such and have signed it. The Commission staff has done great work. However, as the GAO points out in its recent Report to Congress, the Commission has never submitted a Report on time.

The Commission relies heavily on a “consensus” approach in preparing its advisory Report. As we know, the term has various definitions, ranging from absolute unanimity to mere majority. Commissioner silence is at times treated as “consensus” concurrence, and some complex issues are disposed superficially and hurriedly. While the quorum for this twelve-member temporary entity is seven, the final text for this entire Report was “frozen” to be voted on without changes, and edited in four hours by just four Commissioners present at the end. Sparse attendance is typical. There is heavy reliance on testimony of panelists. The Commission for the most part plays a passive role, adds little value, and delivers as advice to Congress selective excerpts of testimony. For example, while one key panel consisted of two coal-state governors, discussing the need of national legislation to aid clean-coal technologies, not even one of the energy chapter’s 270 footnotes is attributed to their testimony. The key issue is—is the Commission forcing its “consensus” opinion on Congress, thus taking from Senators and Representatives the opportunity to evaluate differing views of important issues, and to disagree or agree as they see fit?

The Commission is subject to the Federal Advisory Committee Act (FACA). While transparency and openness are desirable, it is not logical or desirable to disclose the results of the Commission’s work (even if unclassified) to foreigners, in this case to Russians, even before the U.S. Congress sees it. The Commission is required by statute to “investigate” exclusively specific, limited aspects of the U.S.-PRC bilateral relationship. To investigate means to conduct research, and FACA is flexible with respect to research. However, the Commission takes a passive approach and chooses to edit staff work rather than to meaningfully conduct research investigations, as mandated by statute. If the Commissioners did their job as required by law, their advisory report would first go to the U.S. Congress—before it arrives at the Russian embassy.

The Report’s recommendations are generally weak. Typically they read something like this: the Commission recommends that Congress urge the Administration to conduct dialogue, or continue to monitor events, etc. Instead the Commission should recommend that U.S. Congress consider specific legislation and/or that Congress urge the Administration to take clearly defined steps. As Governors Schweitzer and Manchin testified to the Commission, the U.S. must lead by example and start soon and aggressively to have any credibility. For example, in the energy area the Commission could recommend that Congress pass: (a) legislation that establishes a national standard for mineral rights (this is a prerequisite of the fundamental mandated requirement of influencing

PRC energy policy—lead by example); (b) a carbon sequestration law (carbon sequestration is a strong candidate area for mandated joint U.S.-PRC R&D and U.S. technological assistance to the PRC); and (c) legislation that establishes a carbon policy and encourages investment in technologies such as coal-to-liquids, energy-efficient transformers, advanced solid state technology, etc.—all areas in which the U.S. can engage in joint R&D with the PRC and possibly provide technological assistance, as mandated by Congress. We cannot eliminate coal from the energy picture. While coal is king in the PRC, half of the U.S. electric power sector is fueled by coal, U.S. leads the world in possession of proven coal reserves (27%), and global oil reserves have already peaked—in order to be used, coal must be burned cleanly. The technology exists. As the West Virginia and Montana Governors testified, U.S. Congress should pass laws to make clean coal economically feasible. The Commission should advise Congress accordingly. Status quo is not an option.

Has the Congressionally established U.S.-China Economic and Security Review Commission become a mere “clearing house”—do the Commissioners no longer add value? Does the Commission merely repackage views of selected bureaucrats and academicians and pass them on to U.S. Congress as advice?

The Commission’s statutorily required advisory report is due seven months from now, by June 1, 2008. The current submission is a voluntary interim progress report, which could be incorporated in whole or in part, directly or by reference, in the final May 2008 Report. Nobody should be above the law—immigrant day laborers, telephone companies, or legislative Commissions. Amnesty to illegal border crossers, retroactive exemption from liability for privacy violation, or disregard of statutory deadlines—all are unacceptable, especially so when it comes to a Commission appointed by the law-making bodies of the land. As the result of concerns, including those set forth above, the U.S. Senate passed legislation requiring increased oversight of the Commission and term limitations for Commissioners. Given that the GAO report found potential for fraud, waste, and abuse, the Senate was right on the mark.

APPENDIX I

UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION CHARTER

22 U.S.C. 7002 (2001)

The Commission was created on October 30, 2000 by the Floyd D. Spence National Defense Authorization Act for 2001 § 1238, Pub. L. No. 106-398, 114 STAT. 1654A-334 (2000) (codified at 22 U.S.C. § 7002 (2001), as amended by the Treasury and General Government Appropriations Act for 2002 § 645 (regarding employment status of staff) & § 648 (regarding changing annual report due date from March to June), Pub. L. No. 107-67, 115 STAT. 514 (Nov. 12, 2001); as amended by Division P of the “Consolidated Appropriations Resolution, 2003,” Pub. L. No. 108-7 (Feb. 20, 2003) (regarding Commission name change, terms of Commissioners, and responsibilities of Commission); as amended by Pub. L. No. 109-108 (enacted Nov. 22, 2005) (regarding responsibilities of Commission and applicability of FACA).

§ 7002. United States-China Economic and Security Review Commission

(a) Purposes. The purposes of this section are as follows:

(1) To establish the United States-China Economic and Security Review Commission to review the national security implications of trade and economic ties between the United States and the People’s Republic of China.

(2) To facilitate the assumption by the United States-China Economic and Security Review Commission of its duties regarding the review referred to in paragraph (1) by providing for the transfer to that Commission of staff, materials, and infrastructure (including leased premises) of the Trade Deficit Review Commission that are appropriate for the review upon the submittal of the final report of the Trade Deficit Review Commission.

(b) Establishment of United States-China Economic and Security Review Commission.

(1) In general. There is hereby established a commission to be known as the United States-China Economic and Security Review Commission (in this section referred to as the “Commission”).

(2) Purpose. The purpose of the Commission is to monitor, investigate, and report to Congress on the national security implications of the bilateral trade and economic relationship between the United States and the People’s Republic of China.

(3) Membership. The United States-China Economic and Security Review Commission shall be composed of 12 members, who shall be appointed in the same manner provided for the appointment of members of the Trade Deficit Review Commission under section

127(c)(3) of the Trade Deficit Review Commission Act (19 U.S.C. 2213 note), except that—

(A) Appointment of members by the Speaker of the House of Representatives shall be made after consultation with the chairman of the Committee on Armed Services of the House of Representatives, in addition to consultation with the chairman of the Committee on Ways and Means of the House of Representatives provided for under clause (iii) of subparagraph (A) of that section;

(B) Appointment of members by the President pro tempore of the Senate upon the recommendation of the majority leader of the Senate shall be made after consultation with the chairman of the Committee on Armed Services of the Senate, in addition to consultation with the chairman of the Committee on Finance of the Senate provided for under clause (i) of that subparagraph;

(C) Appointment of members by the President pro tempore of the Senate upon the recommendation of the minority leader of the Senate shall be made after consultation with the ranking minority member of the Committee on Armed Services of the Senate, in addition to consultation with the ranking minority member of the Committee on Finance of the Senate provided for under clause (ii) of that subparagraph;

(D) Appointment of members by the minority leader of the House of Representatives shall be made after consultation with the ranking minority member of the Committee on Armed Services of the House of Representatives, in addition to consultation with the ranking minority member of the Committee on Ways and Means of the House of Representatives provided for under clause (iv) of that subparagraph;

(E) Persons appointed to the Commission shall have expertise in national security matters and United States-China relations, in addition to the expertise provided for under subparagraph (B)(i)(I) of that section;

(F) Each appointing authority referred to under subparagraphs (A) through (D) of this paragraph shall—

(i) appoint 3 members to the Commission;

(ii) make the appointments on a staggered term basis, such that—

(I) 1 appointment shall be for a term expiring on December 31, 2003;

(II) 1 appointment shall be for a term expiring on December 31, 2004; and

(III) 1 appointment shall be for a term expiring on December 31, 2005;

(iii) make all subsequent appointments on an approximate 2-year term basis to expire on December 31 of the applicable year; and

(iv) make appointments not later than 30 days after the date on which each new Congress convenes.

(G) Members of the Commission may be reappointed for additional terms of service as members of the Commission; and

(H) Members of the Trade Deficit Review Commission as of the date of the enactment of this Act [enacted Oct. 30, 2000] shall serve as members of the United States-China Economic and Security Review Commission until such time as members are first ap-

pointed to the United States-China Economic and Security Review Commission under this paragraph.

(4) Retention of support. The United States-China Economic and Security Review Commission shall retain and make use of such staff, materials, and infrastructure (including leased premises) of the Trade Deficit Review Commission as the United States-China Economic and Security Review Commission determines, in the judgment of the members of the United States-China Economic and Security Review Commission, are required to facilitate the ready commencement of activities of the United States-China Economic and Security Review Commission under subsection (c) or to carry out such activities after the commencement of such activities.

(5) Chairman and vice chairman. The members of the Commission shall select a Chairman and Vice Chairman of the Commission from among the members of the Commission.

(6) Meetings.

(A) Meetings. The Commission shall meet at the call of the Chairman of the Commission.

(B) Quorum. A majority of the members of the Commission shall constitute a quorum for the transaction of business of the Commission.

(7) Voting. Each member of the Commission shall be entitled to one vote, which shall be equal to the vote of every other member of the Commission.

(c) Duties.

(1) Annual report. Not later than June 1 each year [beginning in 2002], the Commission shall submit to Congress a report, in both unclassified and classified form, regarding the national security implications and impact of the bilateral trade and economic relationship between the United States and the People's Republic of China. The report shall include a full analysis, along with conclusions and recommendations for legislative and administrative actions, if any, of the national security implications for the United States of the trade and current balances with the People's Republic of China in goods and services, financial transactions, and technology transfers. The Commission shall also take into account patterns of trade and transfers through third countries to the extent practicable.

(2) Contents of report. Each report under paragraph (1) shall include, at a minimum, a full discussion of the following:

(A) The portion of trade in goods and services with the United States that the People's Republic of China dedicates to military systems or systems of a dual nature that could be used for military purposes.

(B) The acquisition by the People's Republic of China of advanced military or dual-use technologies from the United States by trade (including procurement) and other technology transfers, especially those transfers, if any, that contribute to the proliferation of weapons of mass destruction or their delivery systems, or that undermine international agreements or United States laws with respect to nonproliferation.

(C) Any transfers, other than those identified under subparagraph (B), to the military systems of the People's Republic of China made by United States firms and United States-based multinational corporations.

(D) An analysis of the statements and writing of the People's Republic of China officials and officially-sanctioned writings that bear on the intentions, if any, of the Government of the People's Republic of China regarding the pursuit of military competition with, and leverage over, or cooperation with, the United States and the Asian allies of the United States.

(E) The military actions taken by the Government of the People's Republic of China during the preceding year that bear on the national security of the United States and the regional stability of the Asian allies of the United States.

(F) The effects, if any, on the national security interests of the United States of the use by the People's Republic of China of financial transactions and capital flow and currency manipulations.

(G) Any action taken by the Government of the People's Republic of China in the context of the World Trade Organization that is adverse or favorable to the United States national security interests.

(H) Patterns of trade and investment between the People's Republic of China and its major trading partners, other than the United States, that appear to be substantively different from trade and investment patterns with the United States and whether the differences have any national security implications for the United States.

(I) The extent to which the trade surplus of the People's Republic of China with the United States enhances the military budget of the People's Republic of China.

(J) An overall assessment of the state of the security challenges presented by the People's Republic of China to the United States and whether the security challenges are increasing or decreasing from previous years.

(3) Recommendations of report. Each report under paragraph (1) shall also include recommendations for action by Congress or the President, or both, including specific recommendations for the United States to invoke Article XXI (relating to security exceptions) of the General Agreement on Tariffs and Trade 1994 with respect to the People's Republic of China, as a result of any adverse impact on the national security interests of the United States.

(d) Hearings.

(1) In general. The Commission or, at its direction, any panel or member of the Commission, may for the purpose of carrying out the provisions of this section, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(2) Information. The Commission may secure directly from the Department of Defense, the Central Intelligence Agency, and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its duties under this section, except the provision of intelligence information to the Commission shall be made with due regard for the protection from unauthorized disclosure of classified information relating to sensitive intelligence sources and methods or other exceptionally sensitive matters, under procedures approved by the Director of Central Intelligence.

(3) Security. The Office of Senate Security shall—

(A) provide classified storage and meeting and hearing spaces, when necessary, for the Commission; and

(B) assist members and staff of the Commission in obtaining security clearances.

(4) Security clearances. All members of the Commission and appropriate staff shall be sworn and hold appropriate security clearances.

(e) Commission personnel matters.

(1) Compensation of members. Members of the United States-China Economic and Security Review Commission shall be compensated in the same manner provided for the compensation of members of the Trade Deficit Review Commission under section 127(g)(1) and section 127(g)(6) of the Trade Deficit Review Commission Act [19 U.S.C. 2213 note].

(2) Travel expenses. Travel expenses of the United States-China Economic and Security Review Commission shall be allowed in the same manner provided for the allowance of the travel expenses of the Trade Deficit Review Commission under section 127(g)(2) of the Trade Deficit Review Commission Act [19 U.S.C. § 2213 note].

(3) Staff. An executive director and other additional personnel for the United States-China Economic and Security Review Commission shall be appointed, compensated, and terminated in the same manner provided for the appointment, compensation, and termination of the executive director and other personnel of the Trade Deficit Review Commission under section 127(g)(3) and section 127(g)(6) of the Trade Deficit Review Commission Act [19 U.S.C. § 2213 note]. The executive director and any personnel who are employees of the United States-China Economic and Security Review Commission shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63, 81, 83, 84, 85, 87, 89, and 90 of that title [language of 2001 amendment, Sec. 645].

(4) Detail of government employees. Federal Government employees may be detailed to the United States-China Economic and Security Review Commission in the same manner provided for the detail of Federal Government employees to the Trade Deficit Review Commission under section 127(g)(4) of the Trade Deficit Review Commission Act [19 U.S.C. § 2213 note].

(5) Foreign travel for official purposes. Foreign travel for official purposes by members and staff of the Commission may be authorized by either the Chairman or the Vice Chairman of the Commission.

(6) Procurement of temporary and intermittent services. The Chairman of the United States-China Economic and Security Review Commission may procure temporary and intermittent services for the United States-China Economic and Security Review Commission in the same manner provided for the procurement of temporary and intermittent services for the Trade Deficit Review Commission under section 127(g)(5) of the Trade Deficit Review Commission Act [19 U.S.C. § 2213 note].

(f) Authorization of appropriations.

(1) In general. There is authorized to be appropriated to the Commission for fiscal year 2001, and for each fiscal year thereafter, such sums as may be necessary to enable the Commission to carry out its functions under this section.

(2) Availability. Amounts appropriated to the Commission shall remain available until expended.

(g) Federal Advisory Committee Act. The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

Effective date. This section shall take effect on the first day of the 107th Congress.

Amendments:

SEC. 645. (a) Section 1238(e)(3) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106–398) is amended by adding at the end the following: “The executive director and any personnel who are employees of the United States-China Economic and Security Review Commission shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63, 81, 83, 84, 85, 87, 89, and 90 of that title.” (b) The amendment made by this section shall take effect on January 3, 2001.”

SEC. 648. DEADLINE FOR SUBMISSION OF ANNUAL REPORTS BY UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION. Section 1238(c)(1) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by section I of Public Law 106–398) is amended by striking “March” and inserting “June”.

Changes: Enacted into law by Division P of the “Consolidated Appropriations Resolution, 2003” Pub. L. 108–7 dated February 20, 2003:

H. J. Res. 2—

DIVISION P—UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

SECTION 1. SHORT TITLE.—This division may be cited as the “United States-China Economic and Security Review Commission”.

SEC. 2. (a) APPROPRIATIONS.—There are appropriated, out of any funds in the Treasury not otherwise appropriated, \$1,800,000, to remain available until expended, to the United States-China Economic and Security Review Commission.

(b) NAME CHANGE.—

(1) IN GENERAL.—Section 1238 of the Floyd D. Spence National Defense Authorization Act of 2001 (22 U.S.C. 7002) is amended—as follows:

In each Section and Subsection where it appears, the name is changed to the “U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION”—

(2) REFERENCES.—Any reference in any Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to the United States-China Security Review Commission shall be deemed to refer to the United States-China Economic and Security Review Commission.

(c) MEMBERSHIP, RESPONSIBILITIES, AND TERMS.—

(1) IN GENERAL.—Section 1238(b)(3) of the Floyd D. Spence National Defense Authorization Act of 2001 (22 U.S.C. 7002) is amended by striking subparagraph (F) and inserting the following:

“(F) each appointing authority referred to under subparagraphs (A) through (D) of this paragraph shall—

“(i) appoint 3 members to the Commission;

“(ii) make the appointments on a staggered term basis, such that—

“(I) 1 appointment shall be for a term expiring on December 31, 2003;

“(II) 1 appointment shall be for a term expiring on December 31, 2004; and

“(III) 1 appointment shall be for a term expiring on December 31, 2005;

“(iii) make all subsequent appointments on an approximate 2-year term basis to expire on December 31 of the applicable year; and

“(iv) make appointments not later than 30 days after the date on which each new Congress convenes;”.

SEC. 635. (a) Modification of Responsibilities.—Notwithstanding any provision of section 1238 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (22 U.S.C. 7002), or any other provision of law, the United States-China Economic and Security Review Commission established by subsection (b) of that section shall investigate and report exclusively on each of the following areas:

(1) PROLIFERATION PRACTICES.—The role of the People’s Republic of China in the proliferation of weapons of mass destruction and other weapons (including dual use technologies), including actions, the United States might take to encourage the People’s Republic of China to cease such practices.

(2) ECONOMIC TRANSFERS.—The qualitative and quantitative nature of the transfer of United States production activities to the People’s Republic of China, including the relocation of high technology, manufacturing, and research and development facilities, the impact of such transfers on United States national security, the adequacy of United States export control laws, and the effect of such transfers on United States economic security and employment.

(3) ENERGY.—The effect of the large and growing economy of the People’s Republic of China on world energy supplies and the role the United States can play (including joint research and development efforts and technological assistance), in influencing the energy policy of the People’s Republic of China.

(4) UNITED STATES CAPITAL MARKETS.—The extent of access to and use of United States capital markets by the People’s Republic of China, including whether or not existing disclosure and transparency rules are adequate to identify People’s Republic of China companies engaged in harmful activities.

(5) REGIONAL ECONOMIC AND SECURITY IMPACTS.—The triangular economic and security relationship among the United States, Taipei and the People’s Republic of China (including the military modernization and force deployments of the People’s Republic of China aimed at Taipei), the national budget of the People’s Republic of China, and the fiscal strength of the People’s Republic of China in relation to internal instability in the People’s Re-

public of China and the likelihood of the externalization of problems arising from such internal instability.

(6) **UNITED STATES-CHINA BILATERAL PROGRAMS.**—Science and technology programs, the degree of non-compliance by the People's Republic of China with agreements between the United States and the People's Republic of China on prison labor imports and intellectual property rights, and United States enforcement policies with respect to such agreements.

(7) **WORLD TRADE ORGANIZATION COMPLIANCE.**—The compliance of the People's Republic of China with its accession agreement to the World Trade Organization (WTO).

(8) **FREEDOM OF EXPRESSION.**—The implications of restrictions on speech and access to information in the People's Republic of China for its relations with the United States in the areas of economic and security policy.

(b) **Applicability of Federal Advisory Committee Act.**—Subsection (g) of section 1238 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 is amended to read as follows:

(g) **Applicability of FACA.**—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the activities of the Commission.

The effective date of these amendments shall take effect on the date of enactment of this Act [November 22, 2005].

APPENDIX II

BACKGROUND OF COMMISSIONERS

Carolyn Bartholomew, Chairman

Chairman Carolyn Bartholomew was reappointed to the U.S.-China Economic and Security Review Commission on December 17, 2005, by House Democratic Leader Nancy Pelosi for a two-year term expiring December 31, 2007. Ms. Bartholomew was unanimously elected as the Commission's Chairman for the 2007 report cycle.

Chairman Bartholomew worked at senior levels in the U.S. Congress, serving as Counsel, Legislative Director, and Chief of Staff to U.S. House of Representatives Democratic Leader Nancy Pelosi. She also served as a Professional Staff Member on the House Permanent Select Committee on Intelligence. Previously, she was a legislative assistant to then-U.S. Representative Bill Richardson.

In these positions, Ms. Bartholomew was integrally involved in developing U.S. policies on international affairs and security matters. She has particular expertise in U.S.-China relations, focused primarily on trade, human rights, and the proliferation of weapons of mass destruction. Chairman Bartholomew was a lead staff on legislation to establish the Department of Homeland Security and led efforts in the establishment and funding of global AIDS programs and the promotion of human rights and democratization in countries around the world. Ms. Bartholomew was a member of the first Presidential Delegation to Africa to Investigate the Impact of HIV/AIDS on Children; and a member of the Council on Foreign Relations Congressional Staff Roundtable on Asian Political and Security issues. In addition to U.S.-China relations, her areas of expertise include terrorism, trade, proliferation of weapons of mass destruction, human rights, U.S. foreign assistance programs, and international environmental issues. She also currently serves on the Board of Directors of the Kaiser Aluminum Corporation.

The Chairman received a B.A. from the University of Minnesota, an M.A. in anthropology from Duke University and J.D. from Georgetown University Law Center. She is a member of the State Bar of California.

Daniel A. Blumenthal, Vice Chairman

Vice Chairman Daniel A. Blumenthal was appointed by Senate Majority Leader Bill Frist for a two-year term expiring December 31, 2007. He was unanimously approved as Vice Chairman for the 2007 report cycle.

Daniel Blumenthal is a Resident Fellow in Asian Studies at the American Enterprise Institute for Public Policy Research. He is a

member of the Academic Advisory Group of the Congressional U.S.-China Working Group.

Previously, Mr. Blumenthal was senior director for China, Taiwan, Hong Kong, and Mongolia in the Office of the Under Secretary of Defense for International Security Affairs from March 2004–November 2004 during the first George W. Bush administration. He developed and implemented defense policy toward China, Taiwan, Hong Kong and Mongolia, during which time he received the Office of Secretary of Defense Medal for Exceptional Public Service. From January 2002–March 2004, he was County Director for China, Taiwan and Hong Kong in the Office of the Secretary of Defense, International Security Affairs.

Before his service at the Department of Defense, Mr. Blumenthal was an Associate Attorney, Corporate and Asia Practice Groups at Kelley Drye & Warren L.L.P. Earlier, he was an Editorial and Research Assistant at the Washington Institute for Near East Policy.

Mr. Blumenthal received an M.A. in International Relations and International Economics from the Johns Hopkins University School of Advanced International Studies, and a J.D. from the Duke University School of Law in 2000. He has written extensively on national security issues.

Peter T.R. Brookes

Peter Brookes, as senior Fellow at the Heritage Foundation, develops and communicates Heritage's stance on foreign policy and national security affairs through media appearances, research, published articles, congressional testimony and speaking engagements.

In addition, he is a weekly columnist for the nation's 5th largest newspaper, the *New York Post*. His column also runs in several other domestic and foreign newspapers, and on numerous news and opinion-oriented websites.

Brookes is also a contributing editor for *Armed Forces Journal* magazine, and has had over 300 articles published in over 50 newspapers, journals and magazines. He is the author of: *A Devil's Triangle: Terrorism, Weapons of Mass Destruction and Rogue States* (Rowman & Littlefield, hardback 2005, paperback 2007).

Brookes has made nearly 1,000 appearances as a commentator on TV and radio, appearing on ABC, NBC, CBS, FOX, CNN, MSNBC, CNBC, NPR, BBC, CBC, VOA, Al Hurra, and Radio Free Asia, among others. He has been quoted by many of the world's largest newspapers and magazines.

He has testified numerous times before both the U.S. Senate and House of Representatives on foreign policy, defense and intelligence issues as an administration official and as a private citizen. He is also a frequent public speaker both in the U.S. and overseas, including public diplomacy speaking tours for the U.S. State Department in Japan, Germany, Australia, Poland, Ukraine, Fiji and Papua New Guinea.

Before coming to Heritage, Brookes served in the George W. Bush administration as the Deputy Assistant Secretary of Defense for Asian and Pacific Affairs, where he was responsible for U.S. security and defense policy for 38 countries and 5 bilateral defense alliances in the Asia-Pacific region. Prior to joining the Bush administration, he worked as a Professional Staff Member with the

Committee on International Relations in the U.S. House of Representatives. He also served with the CIA's Directorate of Operations. Just prior to his CIA service, he worked for the State Department, at the United Nations, and in the private sector in the defense industry.

Brookes is a decorated military veteran, having served on active duty with the U.S. Navy in Latin America, Asia, and Middle East in aviation and intelligence billets during the Cold War. Brookes has over 1300 flight hours aboard U.S. Navy EP-3 reconnaissance aircraft. Now a retired Navy Commander, during his reserve career he served with the NSA, DIA, Naval Intelligence, the Joint Chiefs of Staff, and the Office of the Vice President, working as an intelligence analyst, strategic debriefer, Russian-language interpreter, defense attaché and associate professor at the Joint Military Intelligence College.

Brookes is currently pursuing a Doctorate at Georgetown University. He is a graduate of the U.S. Naval Academy (B.S., Engineering); the Defense Language Institute (Diploma, Russian); the Naval War College (Diploma); and the Johns Hopkins University (M.A., Government).

He has served in political positions at the local, state and national level, including being one of the drafters of the 2000 Republican foreign policy platform at the Convention in Philadelphia, and serving on Bush campaign foreign policy and veteran's advisory groups in 2004.

Brookes' awards include the Navy League Frank Knox Media Award; Joint Service Commendation Medal; Navy Commendation Medal (3 awards); Navy Achievement Medal; several naval and joint unit awards; the Defense Language Institute's Kellogg Award; the Joint Chiefs of Staff service badge; and Naval Aviation Observer wings.

Hon. C. Richard D'Amato

C. Richard D'Amato was reappointed to the U.S.-China Economic and Security Review Commission by Senate Democratic Leader Harry Reid on October 5, 2005, for a two-year term expiring December 31, 2007. He served as the Chairman and Vice Chairman of the Commission beginning in April 2001 through December 20, 2005. He is an attorney, and a member of the Maryland and DC bars. He is a former delegate to the General Assembly of the State of Maryland, (1998–2002), representing the Annapolis, Maryland, region, and served on the Appropriations Committee. He is also a retired Captain in the United States Navy Reserve, served two tours of duty in the Vietnam theatre aboard the USS KING (DLG-10), and three years as an Assistant Professor of Government at the U.S. Naval Academy. He served on the Trade Deficit Review Commission, a Congressional advisory body, as a member from 1999–2000.

He currently serves as vice president for development of Synergics, Inc., a developer of alternative energy projects, particularly wind energy. He is also a member and official presenter for Vice President Al Gore's Climate Project and serves on Maryland Governor O'Malley's newly created Commission on Climate

Change. He has accepted an invitation to become a trustee of St. Mary's College, Maryland, beginning in 2008.

From 1988–98, Commissioner D'Amato was the Democratic Counsel for the Committee on Appropriations of the United States Senate. He was responsible for coordinating and managing the annual appropriations bills and other legislation on policy and funding of U.S. defense, foreign policy, trade and intelligence matters. He served from 1980–88 as the staff director for foreign and defense policies for the Democratic Senate leader, Senator Robert C. Byrd. In this position, he supervised work on major foreign policy, national security and trade policies, and was the co-director for the Senate Arms Control Observer Group, a bipartisan leadership organization, which served as liaison with the White House on all arms control negotiations with the Soviet Union. He also served on the Senate delegation to the Kyoto negotiations on Global Warming.

Mr. D'Amato began his career as Legislative Director for Congressman James Jeffords (Ind.–VT) from 1975–78, and then as Chief of Staff for Senator Abraham Ribicoff (D–CT) until 1980.

He has been active in other aspects of public service having founded the annual Taste-of-the-Nation dinner in Annapolis as part of the nationwide "Share Our Strength" hunger relief organization, and created an annual scholarship for college bound African-American women in Anne Arundel County, Maryland. He currently serves on the boards of the Annapolis Symphony Orchestra, The Johns Hopkins Cuba Exchange Program, the Prague Institute for Strategic Studies, the University of Oxford Congressional Visitors program, and the Institute for U.S.-China relations at the University of Denver. He is a founding member of the National Sailing Hall of Fame.

Commissioner D'Amato received his B.A. (cum laude) from Cornell University in 1964, and served on the Cornell Board of Trustees' Advisory Council. He received his M.A. from the Fletcher School of Law and Diplomacy in Boston in 1967, and received his legal education from Harvard Law School and from the Georgetown University Law Center (J.D., 1980). He resides in Annapolis with his wife, Dee.

Mark T. Esper

Mark T. Esper was appointed by Senate Republican Leader Mitch McConnell for a two-year term expiring December 31, 2008. He is currently the Policy Director for the Fred Thompson 2008 Presidential Campaign. Before assuming his present position he was Executive Vice President of the Aerospace Industries Association of America, the premier trade organization representing the nation's aerospace and defense industry in Washington since 1919. In addition to his duties as the association's executive vice president, Esper was also responsible for all national security, defense, and international affairs issues at AIA as head of the Defense and International Affairs Department. In this capacity, Mr. Esper also served as co-chair of AIA's National Security, International, Defense, and Technical Operations Councils, and participated in federal advisory groups to the State and Commerce Departments.

Mr. Esper was the Director of National Security Affairs for Senate Majority Leader Bill Frist (R–TN) from May 2004 until May

2006. His portfolio in that position included all defense, foreign policy, and intelligence matters for the United States Senate, where he also worked on trade and homeland security issues. Mr. Esper was also responsible for managing the national security committees of the Senate and all national security-related issues with the Executive Branch, the House of Representatives, foreign governments, and non-governmental organizations.

From 2002 through 2004, Mr. Esper served as the Deputy Assistant Secretary of Defense for Negotiations Policy. His responsibilities as a senior official in the Department of Defense included non-proliferation policy, multilateral and bilateral arms control policy, law of armed conflict, and other international agreements. Prior to that, Mr. Esper served in a variety of positions in the United States Congress, including as a Senior Professional Staff Member responsible for national security affairs on the House Armed Services Committee, the Senate Foreign Relations Committee, the Senate Governmental Affairs Committee, and in the personal offices of Senators Fred Thompson and Chuck Hagel.

Mr. Esper is a graduate of the United States Military Academy at West Point and the John F. Kennedy School of Government at Harvard University. He is currently working on his Ph.D. in Public Policy at the George Washington University in Washington, DC, and is an associate professor in the Graduate Department of Defense and Strategic Studies at Missouri State University in Virginia.

Mr. Esper served for ten years in the U.S. Army as an Infantry Officer in a variety of assignments around the world, including Operations Desert Shield/Desert Storm in Saudi Arabia and Iraq in 1990–91, before leaving active duty to become Chief of Staff at The Heritage Foundation in Washington, DC.

He resides in northern Virginia with his wife and three children.

Jeffrey L. Fiedler

Jeffrey L. Fiedler was appointed by House Speaker-elect Nancy Pelosi for a term expiring December 31, 2007. Fiedler is President of Research Associates of America (“RAA”), a non-profit labor research organization. Previously, he was the elected President of the Food and Allied Service Trades Department, AFL–CIO (“FAST”). This constitutional department of the AFL–CIO represented 10 unions with a membership of 3.5 million in the United States and Canada. The focus of RAA, like FAST before it, is organizing and bargaining research for workers and their unions.

He served as a member of the AFL–CIO Executive Council committees on International Affairs, Immigration, Organizing, and Strategic Approaches. He is also on the Board of Directors of the Consumer Federation of America, and a member of the Council on Foreign Relations, and the Pacific Council on International Policy.

In 1992, Fiedler co-founded the Laogai Research Foundation (“LRF”), an organization devoted to studying the forced labor camp system in China. When the Foundation’s Executive Director, Harry Wu, was detained in China in 1995, Fiedler coordinated the campaign to win his release. He still serves as a director of the LRF.

Fiedler has testified on behalf of the AFL–CIO before the Senate Foreign Relations Committee, the House International Affairs

Committee and its various subcommittees, as well as the Trade Subcommittee of the House Ways and Means Committee concerning China policy. He attended three of the American Assembly conferences on China sponsored by Columbia University and has participated in a Council on Foreign Relations task force and study group on China. He has been interviewed on CBS, NBC, ABC, CNN and CNBC on China policy, international trade issues, human rights, and child labor.

A Vietnam veteran, Fiedler served with the U.S. Army in Hue in 1967–68. He received his B.A. in Political Science from Southern Illinois University. He is married with two adult children and resides in Virginia.

Kerri Houston

Often referred to as “a force of nature” by fellow free market activists, Kerri Houston is a public policy analyst and expert in coalition building and messaging for domestic and international public policy issues.

Ms. Houston was most recently vice president of policy for Frontiers of Freedom, advocating for free market solutions to a wide range of public policy reforms, political and national defense issues. She continues her affiliation with the free market think tank community as a Senior Fellow with the Institute for Liberty.

Ms. Houston also works as a public policy and political consultant specializing in coalition and stakeholder management, messaging and issue advocacy for private clients.

Appointed in January 2006 by House Speaker Dennis Hastert, Ms. Houston currently serves as a Commissioner on the U.S.-China Economic and Security Review Commission and is a Senior Analyst with the Alliance of American Manufacturing.

Prior to joining Frontiers of Freedom, Ms. Houston was national field director for the American Conservative Union and executive director of State Policy Network, a member organization of free market state-based think tanks, and director of external affairs for the Institute for Policy Innovation.

Her responsibilities have included all facets of marketing, policy research and issue advocacy for conservative think tanks, as well as acting as liaison to Capitol Hill, the White House, state legislators, and other free market policy centers in the U.S., Europe and Asia.

A strong proponent of individual and economic liberty, federalism, free trade and free markets, Ms. Houston lectures on public policy and legislative issues and the proper role of government in civil society. She has worked internationally as a trainer for the International Republican Institute.

She is a Brain Trust columnist for *Investor’s Business Daily*, and her opinion/editorials have appeared in *The Wall Street Journal*, *The Washington Times*, *The Dallas Morning News*, *Forbes* magazine, *Intellectual Ammunition*, and numerous other print, Internet and institutional publications throughout the country. Many of her editorials can be found at www.opeds.com. She is a frequent guest on talk radio nationwide, and a regular guest co-host on USA Radio Network’s “Point of View.” Ms. Houston was a frequent guest on

Politically Incorrect with Bill Maher and has appeared on FOX, MSNBC and CNBC.

She is a member of the National Paycheck Protection Working Group, Co-Chairman of Legislative Affairs for the North Texas Technology Council, and advisor to the Texas Conservative Coalition's Health and Human Services Task Force. She serves on the Board of Directors for GOPUSA.com, Citizen Outreach and sits on the Board of Advisors for The Project for California's Future run by California Republican Chairman Ron Nehring.

Ms. Houston was also nominated to serve on the President's Commission to Strengthen Social Security.

Well known for her dedication to presenting public policy in a way that will "pass the dinner table test," Ms. Houston brings a sharp wit and a practical spin to her particular areas of expertise in fiscal, cultural and international policy.

Hon. William A. Reinsch

Commissioner William A. Reinsch was reappointed to the U.S.-China Economic and Security Review Commission by Senate Democratic Leader Harry Reid on October 5, 2005, for a two-year term expiring December 31, 2007.

On April 2, 2001, Commissioner Reinsch joined the National Foreign Trade Council as President. The council, founded in 1914, is the only business organization dedicated solely to trade policy, export finance, international tax, and human resource issues. The organization represents some 300 companies through its offices in New York and Washington, DC.

Prior to joining the National Foreign Trade Council, Reinsch served as Under Secretary for Export Administration in the U.S. Department of Commerce. As head of the Bureau of Export Administration (subsequently renamed the Bureau of Industry and Security), he was charged with administering and enforcing the export control policies of the U.S. government, as well as its anti-boycott laws. In addition, the bureau is part of an interagency team helping Russia and other newly emerging nations develop effective export control systems and convert their defense industries to civilian production. Through its Office of Strategic Industries and Economic Security, the bureau is also responsible for monitoring and protecting the health of U.S. industries critical to our national security and defense industrial base and assisting in domestic defense conversion efforts. Major accomplishments during his tenure included: refocusing controls in light of economic globalization, most notably on high-performance computers, microprocessors, encryption, and other items; the first complete revision of the Export Administration regulations in over forty years; revising the interagency process for reviewing applications; and permitting electronic filing of applications over the Internet.

From 1991 through 1993, Commissioner Reinsch was a senior Legislative Assistant to Senator John D. Rockefeller IV, responsible for the senator's work on trade, international economic policy, foreign affairs, and defense. He also provided staff support for Senator Rockefeller's related efforts on the Finance Committee and the Commerce, Science, and Transportation Committee.

From 1977 to 1991, Commissioner Reinsch served on the staff of the late Senator John Heinz as Chief Legislative Assistant, focusing on foreign trade and competitiveness policy issues. During that period, Senator Heinz was either Chairman or ranking minority member of the Banking Committee's Subcommittee on International Finance. He was also a member of the International Trade Subcommittee of the Finance Committee. Commissioner Reinsch provided staff support for the Senator on both subcommittees, which included participation in five revisions of the Export Administration Act and work on four major trade bills. Prior to 1977, Commissioner Reinsch was a Legislative Assistant to Representatives Richard Ottinger and Gilbert Gude, acting Staff Director of the House Environmental Study Conference, and a teacher in Maryland.

During his tenure as Under Secretary, Commissioner Reinsch delivered more than two hundred speeches and testified fifty-three times before various committees of Congress. His publications include "Why China Matters to the Health of the U.S. Economy," in *Economics and National Security: The Case of China*, 2002; "The Role and Effectiveness of U.S. Export Control Policy in the Age of Globalization," *The Monitor* (Center for International Trade and Security: Spring 2000); "Export Controls in the Age of Globalization," *The Monitor* (Center for International Trade and Security: Summer 1999); "Should Uncle Sam Control U.S. Technology Exports?" *Insight Magazine*, September 8, 1997; "Encryption Policy Strikes a Balance," *Journal of Commerce*, March 5, 1997; "Building a New Economic Relationship with Japan," in I.M. Destler and Yankelovich, D., eds., *Beyond the Beltway: Engaging the Public in U.S. Foreign Policy* (W.W. Norton: April 1994).

In addition to his legislative work, Commissioner Reinsch served as an adjunct associate professor at the University of Maryland University College Graduate School of Management and Technology, teaching a course in international trade and trade policy. He is also a member of the Boards of the Middle East Institute and of the Executive Council on Diplomacy.

Commissioner Reinsch received a B.A. degree in International Relations from the Johns Hopkins University and an M.A. degree from the Johns Hopkins School of Advanced International Studies. He is married with two children and lives in Bethesda, Maryland.

Hon. Dennis Clarke Shea

Dennis Shea was appointed to the U.S.-China Economic and Security Review Commission on February 17, 2007 by Senate Republican Leader Mitch McConnell for a term expiring on December 31, 2008.

An attorney with more than 20 years of experience in government and public policy, Mr. Shea began his career as a corporate lawyer at Skadden, Arps, Slate, Meagher & Flom. In 1988, he joined the Office of Senate Republican Leader Bob Dole as counsel and later became the Office's deputy chief of staff. In these capacities, he advised Senator Dole and other Republican Senators on a broad range of domestic policy issues, was involved in the drafting of numerous pieces of legislation, and was recognized as one of the most influential staffers on Capitol Hill. Mr. Shea's service in the

Office of the Senate Republican Leader was interrupted in 1992, when he ran for Congress in New York's 7th Congressional District after receiving the Republican and Conservative Party nominations.

In 1995 and 1996, Mr. Shea continued to help shape the national public policy debate while serving as director of policy for the Dole for President campaign.

Following the 1996 presidential election, Mr. Shea worked in the private sector, providing legislative and public affairs counsel to Fortune 500 companies, major U.S. financial institutions, professional associations, and children's hospitals, while employed at BKSH & Associates and Verner, Liipfert, Bernhard, McPherson and Hand. Mr. Shea also served as a consultant to the American Enterprise Institute and The Brookings Institution on a report that outlined recommendations for reforming the independent counsel statute.

In 2003, Mr. Shea was named the Executive Director of the President's Commission on the United States Postal Service. Many of the Commission's recommendations were adopted as part of postal reform legislation recently enacted by Congress and signed into law. In 2004, Mr. Shea was nominated by President George W. Bush and later confirmed as Assistant Secretary for Policy Development and Research ("PD&R") at the U.S. Department of Housing and Urban Development. As the head of the PD&R office, Mr. Shea led a team responsible for conducting much of the critical economic analysis necessary to support HUD's mission. In 2005, Mr. Shea left HUD to serve as senior advisor to Senator Elizabeth Dole in her capacity as chair of the National Republican Senatorial Committee.

Mr. Shea received a J.D., an M.A. in American History, and a B.A. in Government, all from Harvard University. His commentaries and articles have appeared on MSNBC.com and in *National Review*, *The Washington Post*, *The Washington Times* and the *Harvard Journal on Legislation*, among others.

Mr. Shea is admitted to the bar in New York and the District of Columbia.

Peter Videnieks

Commissioner Videnieks was appointed by Senate Majority Leader Harry Reid on January 12, 2007, for a two-year term expiring December 31, 2008.

Prior to his appointment, Commissioner Videnieks served on the staff of Senator Robert C. Byrd (D-WVA), President Pro Tempore of the United States Senate and Chairman of the U.S. Senate Appropriations Committee, as an advisor on international affairs and energy issues. He also served on the staffs of the U.S. Trade Deficit Review Commission and the U.S.-China Economic and Security Review Commission. Mr. Videnieks was previously a contracting officer for NASA, the Justice Department, and the U.S. Customs Service, where he was Division Director. He has also been an IRS revenue officer. He holds degrees from the University of Maryland (B.A. economics) and the George Washington University (M.S.A. with concentration in procurement and contracting). Mr. Videnieks was born in Latvia and lives with his wife Barbara on a farm in

Northern Virginia. His language skills are: Latvian, Spanish, and German.

Michael R. Wessel

Commissioner Michael R. Wessel is an original member of the U.S.-China Economic and Security Review Commission and was reappointed by House Democratic Leader Nancy Pelosi for a two-year term expiring December 31, 2008.

Commissioner Wessel is President of The Wessel Group Inc., a public affairs consulting firm offering expertise in government, politics, and international affairs. He was formerly the Executive Vice President at the Downey McGrath Group, Inc. He served on the staff of House Democratic Leader Richard A. Gephardt for more than twenty years, leaving his position as General Counsel in March 1998. In addition to his duties as General Counsel, Commissioner Wessel was Mr. Gephardt's chief policy advisor, strategist, and negotiator. He was responsible for the development, coordination, management, and implementation of the Democratic Leader's overall policy and political objectives, with specific responsibility for international trade, finance, economics, labor, and taxation.

During his more than twenty years on Capitol Hill, Commissioner Wessel served in a number of positions: He was Mr. Gephardt's principal Ways and Means aide, where he developed and implemented numerous tax and trade policy initiatives. He participated in the enactment of every major trade policy initiative from 1978 to his departure in 1998. In the late 1980s, he was the Executive Director of the House Trade and Competitiveness Task Force, where he was responsible for the Democrats' trade and competitiveness agenda as well as overall coordination of the Omnibus Trade and Competitiveness Act of 1988.

He was intimately involved in the development of comprehensive tax reform legislation in the early 1980s and every major tax bill during his tenure. Beginning in 1989, he became the principal advisor to the Democratic Leadership on economic policy matters and served as tax policy coordinator to the 1990 budget summit. In 1995, he developed the 10 percent Tax Plan, a comprehensive tax reform initiative that would enable roughly four out of five taxpayers to pay no more than a ten percent rate in federal income taxes. It became the principal Democratic tax reform alternative. In 1988, he served as National Issues Director to Gephardt's Presidential campaign. During the 1992 Clinton/Gore campaign, he assisted on a broad range of issues and served as a Senior Policy Advisor to the Clinton/Gore transition office. In 2004 he was a senior policy advisor to the Gephardt for President campaign and later cochaired the Trade Policy Group for the Kerry-Edwards campaign.

He has coauthored a number of articles with Democratic Leader Gephardt and a book, *An Even Better Place: America in the 21st Century* (Public Affairs: 1999). Commissioner Wessel served as a member of the U.S. Trade Deficit Review Commission in 1999–2000, a congressionally created commission charged with studying the nature, causes and consequences of the U.S. merchandise trade and current account deficits. He also currently serves as a member on the Board of Directors of the Goodyear Tire and Rubber Co., one of the world's largest tire companies.

Commissioner Wessel holds a B.A. and a J.D. from George Washington University. He is a member of the bar of the District of Columbia and Pennsylvania and is a member of the Council on Foreign Relations. He and his wife Andrea have four children.

Larry M. Wortzel, Ph.D.

Larry M. Wortzel was reappointed by House Speaker J. Dennis Hastert on December 8, 2006 for a third term expiring December 31, 2008. Commissioner Wortzel served as Chairman for the 2006 report cycle.

He previously served as the Director of the Asian Studies Center and Vice President for foreign policy at the Heritage Foundation. A leading authority on China, Asia, national security, and military strategy, Commissioner Wortzel had a distinguished thirty-two-year career in the U.S. armed forces. His last military position was as director of the Strategic Studies Institute of the U.S. Army War College.

Following three years in the Marine Corps, Commissioner Wortzel enlisted in the U.S. Army in 1970. His first assignment with the Army Security Agency took him to Thailand, where he focused on Chinese military communications in Vietnam and Laos. Within three years, he had graduated Infantry Officer Candidate School, as well as both Airborne and Ranger schools. After serving four years as an infantry officer, he shifted to military intelligence. Wortzel traveled regularly throughout Asia while serving the U.S. Pacific Command as a political-military affairs analyst from 1978 to 1982. The following year he attended the National University of Singapore, where he studied advanced Chinese and traveled in China and Southeast Asia. He next worked for the Under Secretary of Defense for Policy, developing counterintelligence programs to protect emerging defense technologies from foreign espionage. In addition, he managed programs to gather foreign intelligence for the Army Intelligence and Security Command.

From 1988 to 1990, Commissioner Wortzel was Assistant Army Attaché at the U.S. Embassy in China, where he witnessed and reported on the Tiananmen Massacre. After assignments as an Army strategist and managing Army intelligence officers, he returned to China in 1995 as the Army Attaché. In December 1997, he became a faculty member of the U.S. Army War College, serving as director of the Strategic Studies Institute. He retired from the Army as a colonel.

Commissioner Wortzel's books include *Class in China: Stratification in a Classless Society* (Greenwood Press: 1987), *China's Military Modernization: International Implications* (Greenwood: 1988), *The Chinese Armed Forces in the 21st Century* (Carlisle, PA: 1999), and *Dictionary of Contemporary Chinese Military History* (Greenwood: 1999). He regularly publishes articles on Asian security matters.

A graduate of the Armed Forces Staff College and the U.S. Army War College, Commissioner Wortzel earned his B.A. from Columbus College, Georgia, and his M.A. and Ph.D. from the University of Hawaii. He and his wife, Christine, have two married sons and two grandchildren.

APPENDIX III

PUBLIC HEARINGS OF THE COMMISSION

Full transcripts and written testimonies are available online at the Commission's Website: www.uscc.gov.

February 1-2, 2007: Public Hearing on "The U.S.-China Relationship: Economics and Security in Perspective," Washington, DC

Commissioners present: Carolyn Bartholomew, Chairman (Hearing Co-Chair); Daniel A. Blumenthal, Vice Chairman (Hearing Co-Chair); Peter T.R. Brookes; Hon. C. Richard D'Amato; Jeffrey L. Fiedler; Kerri Houston; Hon. William A. Reinsch; Peter Videnieks; Michael R. Wessel; Larry M. Wortzel.

Congressional perspectives: Hon. J. Randy Forbes, U.S. Congressman from the state of Virginia; Hon. Ben Cardin, U.S. Senator from the state of Maryland; Hon. Carl Levin, U.S. Senator from the state of Michigan; Hon. Lindsey Graham, U.S. Senator from the state of South Carolina; Hon. Sherrod Brown, U.S. Senator from the state of Ohio.

Witnesses: Hon. Richard Lawless, U.S. Department of Defense; David L. Pumphrey, U.S. Department of Energy; James Mann, Johns Hopkins University; Philip Saunders, Ph.D., National Defense University; Thea Lee, AFL-CIO; Grant Aldonas, Center for Strategic and International Studies; Peter Navarro, Ph.D., University of California Irvine; Thomas P. Ehrhard, Ph.D., Center for Strategic and Budgetary Assessments; Colonel Charles Hooper, Naval Postgraduate School; Kenneth Allen, The Center for Naval Analysis Corporation; Edward Friedman, Ph.D., University of Wisconsin; Shiping Hua, Ph.D., University of Louisville; Alan M. Wachman, Ph.D., Tufts University; Thomas J. Christensen, Ph.D., U.S. Department of State; Robert Dohner, Ph.D., U.S. Department of the Treasury.

March 29-30, 2007: Public Hearing on "China's Military Modernization and Its Impact on the United States and the Asia-Pacific," Washington, DC

Commissioners present: Carolyn Bartholomew, Chairman; Daniel A. Blumenthal, Vice Chairman; Peter T.R. Brookes; Hon. C. Richard D'Amato; Mark T. Esper; Jeffrey L. Fiedler; Hon. William A. Reinsch (Hearing Co-Chair); Hon. Dennis C. Shea; Peter Videnieks; Michael R. Wessel; Larry M. Wortzel (Hearing Co-Chair).

Congressional perspectives: Hon. Dana Rohrabacher, U.S. Congressman from the state of California; Hon. Madeleine Bordallo, U.S. Congresswoman from the territory of Guam; Hon. Tim Ryan, U.S. Congressman from the state of Ohio; Hon. Duncan Hunter, U.S. Congressman from the state of California.

Witnesses: William J. Schneider, Jr., Ph.D., Defense Science Board; Michael G. Vickers, Center for Strategic and Budgetary Assessments; Derek S. Reveron, Ph.D., U.S. Naval War College; Robert J. Bunker, Ph.D., Counter-OPFOR Corporation; General James E. Cartwright, U.S. Strategic Command; Andrew S. Erickson, Ph.D., U.S. Naval War College; Cortez A. Cooper, III, Hicks and Associates, Inc.; RADM (Ret.) Eric A. McVadon, The Institute for Foreign Policy Analysis, Inc.; Bernard D. Cole, Ph.D., National War College; Mark Cozad, Defense Intelligence Agency; Ehsan Ahrari, Ph.D., Asia-Pacific Center for Security Studies; James A. Lewis, Ph.D., Center for Strategic and International Studies; Michael P. Pillsbury, Ph.D., Consultant; Eric D. Hagt, World Security Institute; Dean Cheng, The Center for Naval Analysis Corporation; Mary C. Fitzgerald, Hudson Institute.

May 24–25, 2007: Public Hearing on the “Extent of the Government’s Control of China’s Economy, and Implications for the United States,” Washington, DC

Commissioners present: Carolyn Bartholomew, Chairman; Peter T.R. Brookes; Hon. C. Richard D’Amato; Mark T. Esper; Jeffrey L. Fiedler (Hearing Co-Chair); Kerri Houston (Hearing Co-Chair); Hon. William A. Reinsch; Hon. Dennis C. Shea; Peter Videnieks; Michael Wessel (Hearing Co-Chair).

Congressional perspectives: Hon. Donald A. Manzullo, U.S. Congressman from the state of Illinois; Hon. Carolyn C. Kilpatrick, U.S. Congresswoman from the state of Michigan; Hon. Walter B. Jones, U.S. Congressman from the state of North Carolina.

Witnesses: Barry Naughton, Ph.D., University of California San Diego; Clyde Prestowitz, Economic Strategy Institute; Scott Kennedy, Ph.D., University of Indiana Bloomington; George T. Haley, Ph.D., University of New Haven; Thomas R. Howell, Dewey Ballantine LLP; David M. Marchick, Covington & Burling LLP; Brad Setser, Ph.D., Roubini Global Economics; Daniel Rosen, China Strategic Advisory; Barry Solarz, American Iron and Steel Institute; David Pritchard, Ph.D., State University of New York Buffalo.

June 14–15, 2007: Public Hearing on “China’s Energy Consumption and Opportunities for U.S.-China Cooperation to Address the Effects of China’s Energy Use,” Washington, DC

Commissioners present: Carolyn Bartholomew, Chairman; Daniel A. Blumenthal, Vice Chairman (Hearing Co-Chair); Peter T.R. Brookes; Hon. C. Richard D’Amato (Hearing Co-Chair); Jeffrey L. Fiedler; Kerri Houston; Hon. William A. Reinsch; Hon. Dennis C. Shea (Hearing Co-Chair); Peter Videnieks (Hearing Co-Chair).

Congressional perspectives: Hon. Roscoe Bartlett, U.S. Congressman from the state of Maryland.

Gubernatorial perspectives: Hon. Joe Manchin, Governor of the state of West Virginia; Hon. Brian Schweitzer, Governor of the state of Montana.

Witnesses: Hon. Karen Harbert, U.S. Department of Energy; Hon. Judith E. Ayres, U.S. Environmental Protection Agency; Jane C.S. Long, Ph.D., Lawrence Livermore National Laboratory; Lee Schipper, Ph.D., World Resources Institute; Saad Rahim, PFC Energy; Trevor Houser, China Strategic Advisory LLC; James Holmes, Ph.D., Naval War College; Toshi Yoshihara, Ph.D., Naval War College; Mikkal Herberg, National Bureau of Asian Research; Jennifer Turner, Ph.D., Woodrow Wilson International Center for Scholars; Mun S. Ho, Ph.D., Resources for the Future; Barbara Finamore, National Resources Defense Council; Jeffrey Logan, Ph.D., World Resources Institute; Thomas Donnelly, American Enterprise Institute; David Helvey, U.S. Department of Defense; John Sie, University of Denver; Kelly Sims Gallagher, Ph.D., Harvard University; Wayne L. Rogers, Sonnenschein, Nath & Rosenthal, LLP; S.T. Hsieh, Ph.D., Tulane University; Wei-ping Pan, Ph.D., Western Kentucky University; Michael J. Mudd, FutureGen Alliance; Elizabeth Economy, Ph.D., Council on Foreign Relations; Mark Levine, Ph.D., Lawrence Berkeley National Laboratory.

July 12–13, 2007: Public Hearing on “China’s Proliferation and the Impact of Trade Policy on Defense Industries in the United States and China,” Washington, DC

Commissioners present: Carolyn Bartholomew, Chairman; Daniel A. Blumenthal, Vice Chairman; Peter T.R. Brookes (Hearing Co-Chair); Kerri Houston; Hon. William A. Reinsch; Peter Videnieks; Michael Wessel (Hearing Co-Chair); Larry M. Wortzel.

Congressional perspectives: Hon. Thad McCotter, U.S. Congressman from the state of Michigan; Hon. Duncan Hunter, U.S. Congressman from the state of California.

Witnesses: Hon. Donald Mahley, U.S. Department of State; David Sedney, U.S. Department of Defense; Jing-dong Yuan, Ph.D., Monterey Institute of International Studies; Brad Roberts, Ph.D., Institute for Defense Analyses; Gary K. Bertsch, Ph.D., University of Georgia; Joseph Cirincione, Center for American Progress; William C. Greenwalt, U.S. Department of Defense; Rear Admiral Kathleen M. Dussault, U.S. Department of Defense; Tina Ballard, U.S. Department of Defense; Terry Jaggars, U.S. Department of Defense; Tai Ming Cheung, Ph.D., University of California San Diego Institute on Global Conflict and Cooperation; James Mulvenon, Ph.D., Defense Group, Inc.; Michael Danis, Defense Intelligence Agency; Owen Herrnsstadt, International Association of Machinists and Aerospace; William Hawkins, U.S. Business and Industry Council.

July 31, 2007: Public Hearing on “Access to Information in the People’s Republic of China,” Washington, DC

Commissioners present: Carolyn Bartholomew, Chairman (Hearing Co-Chair); Peter T.R. Brookes; Hon. C. Richard D’Amato; Jeffrey L. Fiedler; Kerri Houston (Hearing Co-Chair); Hon. William A. Reinsch; Hon. Dennis C. Shea; Peter Videnieks; Michael R. Wessel; Larry M. Wortzel.

Congressional perspectives: Hon. Alcee Hastings, U.S. Congressman from the state of Florida; Hon. Thad McCotter, U.S. Congressman from the state of Michigan; Hon. Frank Wolf, U.S. Congressman from the state of Virginia; Hon. Tom Harkin, U.S. Congressman from the state of Indiana.

Witnesses: Jay Henderson, Voice of America; Dan Southerland, Radio Free Asia; Ashley Esarey, Ph.D., Middlebury College; Xiao Qiang, University of California Berkeley; He Qinglian, Human Rights in China; Barrett McCormick, Ph.D., Marquette University; Drew Thompson, Nixon Center; Scott Gottlieb, MD, American Enterprise Institute; Oded Shenkar, Ph.D., Ohio State University.

September 6, 2007: Public Hearing on “China’s Impact on the North Carolina Economy: Winners and Losers,” Chapel Hill, NC

Commissioners present: Carolyn Bartholomew, Chairman; Jeffrey L. Fiedler (Hearing Co-Chair); Kerri Houston (Hearing Co-Chair); Peter Videnieks; Michael R. Wessel; Larry M. Wortzel.

Witnesses: Rick L. Weddle, Research Triangle Park Foundation; Patrick J. Conway, Ph.D., University of North Carolina; Gary Gereffi, Ph.D., Duke University; Betty McGrath, North Carolina Employment Security Commission; Harris Raynor, UNITE HERE; Darryl Jackson, United Steelworkers Local 959; Michael Chen, Red Hat Software; Wyatt Bassett, Vaughan-Bassett Furniture; James Chesnutt, National Spinning Co., Inc.; H. James Owen, Ph.D., Piedmont Community College; Thomas J. White, North Carolina Department of Commerce.